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FROM AIT KAOHSIUNG BRANCH OFFICE

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SUBJECT: Loss in Chiayi Supplemental Legislative Election Shows Support Eroding for DPP

REF: A) 2006 TAIPEI 0490, B) 2006 TAIPEI 0567

SENSITIVE BUT UNCLASSIFIED.

- 11. (SBU) Summary. In Chiayi City's March 11, 2006, supplemental Legislative election (reftels A and B), the KMT candidate Chiang Yi-hsiung won by 3,038 votes over DPP candidate Chen Li-chen. In the December 2005, 3-in-1 election, Chen Li-chen had already lost her re-election bid for mayor. This second loss for Chen in consecutive elections in a deep green, anti-KMT, stronghold has lent further credence to the belief that southern Taiwan's support for the ruling Democratic Progress Party (DPP) is eroding. The effect of the Chiayi loss on the upcoming Kaohsiung mayoral election has DPP party officials worried. End summary.
- 12. (SBU) A contact in Chiayi told AIT/K that in this election, DPP candidate Chen Li-chen's supporters did not want President Chen in the local vicinity campaigning for Chen. On the other hand, the Chiayi KMT headquarters called on the strength of KMT Chairman Ma Ying-jeou, bringing him down for at least five campaign events. A businessman in Tainan City told AIT/K that the election is a big setback for DPP because the KMT candidate, although a very weak one in terms of background and image, still won the race. These phenomena fully indicated to this businessman that the DPP is continuing to lose the battle for key swing votes in southern Taiwan.
- 13. (U) The winning KMT candidate Chiang Yi-hsiung, who had lost twice in his previous bids during 1993 and 1994 mayoral elections, attributed his victory to KMT Chairman Ma Ying-jeou's charisma. Ma Ying-jeou, on the other hand, cautioned supporters to remain humble and not to be too ebullient over one win. Ma said although the Pan Blue has secured its fragile majority in the Legislative Yuan (LY), it will continue to play its role as a modest, rational and responsible opposition. (Note: Pan Blue now has 113 of 221 legislators, and KMT is now tied with DPP at 88 as the two largest parties. End Note.)
- 14. (U) DPP Chairman Yu Shyi-kun attributed the defeat to the overall environment in Taiwan, the Electronic Toll Collector (ETC) scandal and low voter turnout (only 42.5 percent). Yu rebutted media analysis that indicated the National Unification Council (NUC) was a major factor in the DPP defeat, arguing the issue has helped boost the Pan Green's morale. Yu said that compared to Chiayi's mayoral election in December last year, in which the DPP candidate lost to the KMT candidate by 10 percent of the votes, the discrepancy lessened to only 3.6 percent in this election. Yu said that DPP will continue consolidating the party's strength at local

levels.

- 15. (SBU) After seeing the DPP lose this supplemental election in a nearby district, DPP officials in Kaohsiung told AIT/K that the loss to the KMT in the 3-in-1 election combined with this leaves them feeling even greater pressure to win the upcoming December 2006 Kaohsiung mayoral election. While they strongly believe that Kaohsiung remains solidly green turf, they noted that the bad economy, the KRTC scandal and the losses in Chiayi, make them wonder what it will take to pull the swing voters to the DPP side in Kaohsiung. They are now, however, worried about the deep green voters who, they claim, will hold their noses and vote DPP in any case. These DPP officials said unequivocally that right now support from former Premier Hsieh and Chen Chi-nan, although both have been implicated in the KRTC scandal, are key to which DPP candidate will run in the December Kaohsiung mayoral election.
- 16. (SBU) Comment. There is no question that green supporters in southern Taiwan are still reeling from these losses in Chiayi and the DPP scandals of 2005. For the second time this winter, the KMT has managed to "cross the Chuoshui River," the highly emotional dividing line between Green South and Blue North, giving substance to Chairman Ma's pledge in December to lead the KMT south across the Chuoshui. From any shade of green or blue, the Kaohsiung mayoral election is lining up to provide excellent insight into what to expect from southern Taiwan swing voters in Taiwan's 2008 presidential election. End comment.

THIELE

YOUNG

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